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Further Growth for EU-28 Poultry Sector in 2015

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Report Highlights:

EU-28 broiler meat production forecasts for 2015 have been kept stable from previous estimates, but still higher than in 2014. Consumers switching from other meats to broiler meat (cheaper and more convenient) in a recession-stricken EU-28 region will increase the EU-28 domestic consumption of broiler meat in 2015. EU-28 broiler meat imports are still expected to grow marginally in 2015 with stagnant imports from both Brazil and Thailand. EU-28 broiler meat exports in 2015 are now expected to increase slightly despite lower exports of whole broilers (mostly from France) to Middle Eastern countries (mainly Saudi Arabia). The lack of exports to Russia, due to the Russian Embargo, was more than offset by higher exports to South Africa, Benin, Congo, Hong Kong and the Philippines.

Executive Summary:

DISCLAIMER

The numbers in the PSDs in this report are not official USDA numbers, but they result from a collaborative effort by FAS EU offices to consolidate PSDs from all 28 EU member states.

This report is the result of active collaboration with the following EU FAS staff in the following Member States:

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Commodities:

Poultry, Meat, Broiler

Production:

EU-28 broiler meat production forecasts for 2015 have been kept stable from previous estimates as no significant hike in production is foreseen in the major producing countries. However, slightly lower exports are forecast for France, driven by declining exports of whole birds and the overall lack of competitiveness in the French poultry sector. Local outbreaks of Avian Influenza in several EU-28 member States are not expected to have any significant impact on production levels.

Consumption:

The EU-28 domestic consumption of broiler meat is still expected to increase slightly more than total population growth in 2015, indicating a small increase in per-capita consumption, due to the switch from other meats to lower-cost broiler meat in a recession-stricken EU-28 region.

Trade:

Broiler meat imports forecasts are now expected to remain flat in 2015. EU-28 imports of prepared, preserved and processed broiler parts (HS code 160232) are impacted by the economic downturn in the EU-28 region.

EU-28 broiler meat exports in 2015 are now expected to grow slightly. Increased exports to Africa (South Africa, Benin, The Congo), Hong Kong and the Philippines will more than offset lower exports of whole broilers (mainly from France) to Saudi Arabia, other Middle Eastern countries and Russia. Local outbreaks of Avian Influenza in several EU-28 member States are not expected to have any significant impact on EU broiler exports.

Policy: Russian extensive ban on agricultural and food products

On August 7, 2014, the Russian Government implemented sanctions on a wide range of agricultural and food products from the United States, the EU, Canada, Australia and Norway. Reportedly the ban will last for at least one year. The ban includes fresh beef (HS0201), frozen beef (HS0202), pork (HS0203), poultry meat (HS0207), prepared meat (HS0210) and sausages (HS160100). Below is a table with the trade volumes for beef, pork and poultry in 2013.

	EU Exports to Russia (MT)	Share of EU Exports	Share of Russian Imports
HS0201	13,729	17.8	34.1
HS0202	18,654	30.2	3.4
HS0203	369,916	23.0	60.9
HS0207	73,706	5.8	16.2
HS0210	3,747	9.3	97.2
HS160100	13,659	10.4	75.7
Total Beef (CW)	45,807	18.8	5.5
Total Pork (CW)	503,829	22.6	61.9
Total Poultry	70,856	5.6	15.7

Source: European Commission

Production, Supply and Demand Data Statistics:

Poultry, Meat, Broiler	2013		2014		2015	
Market Begin Year	Oct 2013		Oct 2014		Oct 2015	
European Union	USDA Official	New post	USDA Official	New post	USDA Official	New post
Inventory (Reference)	0	0	0	0	0	0
Slaughter	0	0	0	0	0	0

(Reference)						
Beginning Stocks	0	0	0	0	0	0
Production	9,900	9,910	10,070	10,095	10,300	10,215
Total Imports	672	670	675	719	670	720
Total Supply	10,572	10,580	10,745	10,814	10,970	10,935
Total Exports	1,083	1,081	1,100	1,131	1,100	1,150
Human Consumption	9,489	9,499	9,645	9,683	9,870	9,785
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	9,489	9,499	9,645	9,683	9,870	9,785
Total Use	10,572	10,580	10,745	10,814	10,970	10,935
Ending Stocks	0	0	0	0	0	0
Total Distribution	10,572	10,580	10,745	10,814	10,970	10,935
MIL HEAD, 1000 MT, PERCENT, PEOPLE, KG						

Note: Per revised FAS instructions, exports of chicken paws to Hong Kong and China have been excluded from EU-28 Broiler Meat exports. Hong-Kong and China imports of chicken paws from EU-28 amounted to 61,00 MT in CY 2014, up 14 percent from CY 2013.